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Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into the Social Services Legislation Amendment (Workforce Incentive) Bill 2022

Carers NSW welcomes the opportunity to provide a submission to the Senate Standing Committees on Community Affairs (the Committees) in response to its inquiry into the Social Services Legislation Amendment (Workforce Incentive) Bill 2022. This short submission highlights the need to extend the proposed Workforce Incentive measure to carers over Age Pension age receiving Carer Payment to ensure that carers are not disadvantaged through this Amendment.

Carers NSW is the peak non-government organisation for carers in NSW. A carer is any individual who provides care and support to a family member or friend who has a disability, mental illness, drug and/or alcohol dependency, chronic condition, terminal illness or who is frail. Carers NSW is part of the National Carer Network and a member of Carers Australia. Our vision is an Australia that values and supports all carers, and our goals are to:

- Be a leading carer organisation in which carers have confidence
- Actively promote carer recognition and support
- Actively support carers to navigate a changing service landscape that will be characterised by ongoing policy reform
- Promote connected community experiences and opportunities for carers that are inclusive of diverse carer groups
- Lead and advocate for carer-specific and carer-inclusive policy making, research and service delivery
- Continue to be a quality-driven, responsive and carer-focused organisation.

Carers NSW thanks the Committees for the opportunity to provide feedback on the Social Services Legislation Amendment (Workforce Incentive) Bill 2022. Carers NSW believes that this inquiry provides an important opportunity to highlight that a number of carers of age pension age continue to receive Carer Payment, and that these carers should be included in opportunities or incentives that aim to support people receiving pensions to participate in paid employment, supplementing their pension income, if they choose to.

DSS Demographic Data indicates that at December 2021, 19,516 of the approximately 110,100, or more than one in six Carer Payment recipients in NSW were aged 65 years or over.¹ Nationwide, as at December 2021, there were approximately 58,550 carers receiving Carer Payment who were aged 65 years or over.² While the existing Work Bonus³ is extended to all pensioners over age pension age, the proposed amendments within this Bill that aim to remove disincentives to workforce participation are

¹ Department of Social Services (DSS) (2022), *DSS Demographics - December 2021*, available online at: <https://data.gov.au/data/dataset/cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/resource/65515027-eb42-4257-9b32-6bfec21e00e8/download/dss-demographics-december-2021.xlsx>, viewed 1 March 2022.

² Ibid.

³ Services Australia (2022) *Work Bonus*, available online at: <https://www.servicesaustralia.gov.au/work-bonus>, viewed 1 March 2022.

not extended to older carers receiving Carer Payment, potentially resulting in worse financial outcomes for this group.

While Carers NSW supports the inclusion of Carer Payment recipients as partners of people who may be covered under this legislative change, able to have their payments suspended for up to two years where their partners income exceeds the income threshold, Carers NSW is unsure why Carer Payment recipients were not included within the measure where they themselves choose to participate in paid employment. Carers NSW believes that the proposed measure should be extended to Carer Payment recipients to ensure that they are not financially disadvantaged.

Carers NSW would also like to take this opportunity to highlight a further element of the Carer Payment that may act as a disincentive for older carers to participate in employment. The 25-hour rule further disadvantages older carers looking to engage in employment, with Carer Payment recipients only able to participate in up to than 25 hours of activity per week (including travel time) to undertake training, education, unpaid voluntary work or paid employment before their payments are impacted. Carers NSW has raised this issue on many occasions as it continues to limit the capacity of carers to participate in economic activities.

The Australian Law Reform Commission (ALRC) heard in their 2012 inquiry into Commonwealth legal barriers to older persons participating in the workforce or other productive work,⁴ that the 25-hour rule acts as a barrier to mature age workforce participation. The ALRC found that there appears to be scope for a more flexible interpretation of the current 25-hour rule and proposed that the Guide to Social Security Law be amended to reflect this, however no such amendments have been made. Carers NSW recommends further consideration and measures to address the impacts of the 25-hour rule on the workforce participation for mature aged carers within this inquiry.

For further information, please contact Melissa Docker, Senior Policy and Development Officer, on
or

Yours sincerely,

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⁴ Australian Law Reform Commission (ALRC) (2012), *Grey Areas—Age Barriers To Work In Commonwealth Laws*, available online at: <https://www.alrc.gov.au/publication/grey-areas-age-barriers-to-work-in-commonwealth-laws-dp-78/5-social-security/carer-payment/>